

EXHIBIT A

1065 Form Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2003, or tax year beginning _____ and ending _____ EXTENSION GRANTED TO 10/15/04		OMB No. 1545-0088 2003	
A Principal business activity	Use the IRS label. Otherwise, print or type.	Name of partnership		D Employer identification number	
IMPORTER		PRIVATE LABEL SOURCING, LLC		22-3800350	
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see page 14 of the instructions.		E Date business started	
WOMEN'S APPAREL		470 BROOME STREET		07/01/2001	
C Business code number		City or town, state, and ZIP code		F Total assets	
424300		NEW YORK, NY 10013		\$ 1,634,301.	
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____ I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year 2					

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales	1a	1,587,267.		1,435,043.
	b Less returns and allowances	1b	152,224.	1c	
	2 Cost of goods sold (Schedule A, line 8)	2	1,443,511.		
	3 Gross profit. Subtract line 2 from line 1c	3	<8,468.>		
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	4			
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5			
	6 Net gain (loss) from Form 4797, Part II, line 18	6			
	7 Other income (loss) (attach schedule)	7	SEE STATEMENT 1	5,661,277.	
8 Total income (loss). Combine lines 3 through 7	8		5,652,809.		
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9	2,362,593.		
	10 Guaranteed payments to partners	10			
	11 Repairs and maintenance	11	32,787.		
	12 Bad debts	12			
	13 Rent	13	330,317.		
	14 Taxes and licenses	14	SEE STATEMENT 2	344,381.	
	15 Interest	15	37,311.		
	16 a Depreciation (if required, attach Form 4562)	16a	72,616.		
	b Less depreciation reported on Schedule A and elsewhere on return	16b		72,616.	
	17 Depletion (Do not deduct oil and gas depletion.)	17			
	18 Retirement plans, etc.	18	321,011.		
	19 Employee benefit programs	19	145,578.		
	20 Other deductions (attach schedule)	20	SEE STATEMENT 3	1,265,296.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		4,911,890.		
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8	22		740,919.		

Sign Here Signature of general partner or limited liability company member	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge. Date	May the IRS discuss this return with the preparer shown below (see Instr. J)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Preparer's signature Date Check if self-employed <input type="checkbox"/>
Paid Preparer's Use Only Firm's name (or yours if self-employed), address, and ZIP code	MAHONEY COHEN & COMPANY, CPA, P.C. 1065 AVENUE OF THE AMERICAS NEW YORK, NY 10018 EIN 13-2806641 Phone no. 212-790-5700	

PRIVATE LABEL SOURCING, LLC

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Schedule A Cost of Goods Sold (see page 18 of the instructions)

1	Inventory at beginning of year	1	302,500.
2	Purchases less cost of items withdrawn for personal use	2	905,570.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	275,338.
5	Other costs (attach schedule)	5	208,106.
6	Total. Add lines 1 through 5	6	1,691,514.
7	Inventory at end of year	7	248,003.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	1,443,511.

a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3
 (ii) ☒ Lower of cost or market as described in Regulations section 1.471-4
 (iii) ☐ Other (specify method used and attach explanation) ▶

- b** Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ☐
c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐
d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☒ Yes ☐ No
e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
 If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership		
b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other ▶		
2 Are any partners in this partnership also partnerships?		<input checked="" type="checkbox"/>
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		<input checked="" type="checkbox"/>
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		<input checked="" type="checkbox"/>
5 Does this partnership meet all three of the following requirements? a The partnership's total receipts for the tax year were less than \$250,000; b The partnership's total assets at the end of the tax year were less than \$500,000; and c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item J on Schedule K-1		<input checked="" type="checkbox"/>
6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions		<input checked="" type="checkbox"/>
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		<input checked="" type="checkbox"/>
8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		<input checked="" type="checkbox"/>
9 At any time during calendar year 2003, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		<input checked="" type="checkbox"/>
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 20 of the instructions		<input checked="" type="checkbox"/>
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 9 of the instructions		<input checked="" type="checkbox"/>
12 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		

Designation of Tax Matters Partner (see page 20 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶

Identifying number of TMP ▶

Address of designated TMP ▶

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Schedule K-1 Partners' Shares Income, Credits, Deductions, etc.

(a) Distributive share items		(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 22)	1 740,919.
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a Gross income from other rental activities	3a
	b Expenses from other rental activities (attach schedule)	3b
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4 Portfolio income (loss) (attach Schedule D (Form 1065) for lines 4d and 4e):	
	a Interest income	4a 3,305.
	b Dividends: (1) Qualified dividends (2) Total ordinary dividends	4b
	c Royalty income	4c
	d Net short-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4d(2)
	e Net long-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4e(2)
f Other portfolio income (loss) (attach schedule)	4f	
5 Guaranteed payments to partners	5	
6a Net section 1231 gain (loss) (post-May 5, 2003) (attach Form 4797)	6a	
b Net section 1231 gain (loss) (entire year) (attach Form 4797)	6b	
7 Other income (loss) (attach schedule)	7	
Deductions	8 Charitable contributions (attach schedule) SEE STATEMENT 6	8 22,000.
	9 Section 179 expense deduction (attach Form 4562)	9 21,101.
	10 Deductions related to portfolio income (itemize)	10
11 Other deductions (attach schedule)	11	
Credits	12a Low-income housing credit: (1) From partnerships to which section 42(f)(5) applies (2) Other than on line 12a(1)	12a(1) 12a(2)
	b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c
	d Credits related to other rental activities	12d
13 Other credits	13	
Investment Interest	14a Interest expense on investment debts	14a
	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f above (2) Investment expenses included on line 10 above	14b(1) 3,305. 14b(2)
Self-Employment	15a Net earnings (loss) from self-employment	15a 740,919.
	b Gross farming or fishing income	15b
	c Gross nonfarm income	15c 5,652,809.
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a <1,367.>
	b Adjusted gain or loss	16b
	c Depletion (other than oil and gas)	16c
	d (1) Gross income from oil, gas, and geothermal properties (2) Deductions allocable to oil, gas, and geothermal properties	16d(1) 16d(2)
	e Other adjustments and tax preference items (attach schedule)	16e
Foreign Taxes	17a Name of foreign country or U.S. possession	
	b Gross income from all sources	17b
	c Gross income sourced at partner level	17c
	d Foreign gross income sourced at partnership level: (1) Passive (2) Listed categories (attach sch.) (3) General limitation	17d(3)
	e Deductions allocated and apportioned at partner level: (1) Interest expense (2) Other	17e(2)
	f Deductions allocated and apportioned at partnership level to foreign source income: (1) Passive (2) Listed categories (attach sch.) (3) General limitation	17f(3)
	g Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/> (3) General limitation	17g
	h Reduction in taxes available for credit (attach schedule)	17h
	18 Section 59(e)(2) expenditures: a Type b Amount	18b
	19 Tax-exempt interest income	19
Other	20 Other tax-exempt income	20
	21 Nondeductible expenses SEE STATEMENT 7	21 48,991.
	22 Distributions of money (cash and marketable securities)	22 2,578,352.
	23 Distributions of property other than money	23
	24 Other items and amounts required to be reported separately to partners (attach schedule)	

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Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Sch K, lines 8 through 11, 14a, 17g, and 18b						1	701,123.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		701,123.					

Note: Schedules L, M-1 and M-2 are not required if Question 5 of Schedule B is answered "Yes."

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		108,974.		31,465.
2a Trade notes and accounts receivable	267,694.		6,003.	
b Less allowance for bad debts		267,694.		6,003.
3 Inventories		281,104.		198,842.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)		1,203,943.		449,902.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	1,091,142.		1,116,082.	
b Less accumulated depreciation	133,838.	957,304.	305,673.	810,409.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)		122,400.		137,680.
14 Total assets		2,941,419.		1,634,301.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans		1,787,309.		1,752,201.
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		1,154,110.		<117,900.>
22 Total liabilities and capital		2,941,419.		1,634,301.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1 Net income (loss) per books	951,342.	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (Itemize):	
2 Income included on Schedule K, lines 1 through 4, 6b, and 7, not recorded on books this year (Itemize):		a Tax-exempt interest \$	
STMT 11	54,510.	STMT 12	334,679.
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g, and 18b, not charged against book income this year (Itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g, and 18b (Itemize):		a Depreciation \$	
a Depreciation \$	75,283.	STMT 13	94,324.
b Travel and entertainment \$	48,991.	8 Add lines 6 and 7	429,003.
	124,274.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	701,123.
5 Add lines 1 through 4	1,130,126.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	1,154,110.	6 Distributions: a Cash	2,578,352.
2 Capital contributed: a Cash	355,000.	b Property	
b Property		7 Other decreases (Itemize):	
3 Net income (loss) per books	951,342.		
4 Other increases (Itemize):		8 Add lines 6 and 7	2,578,352.
5 Add lines 1 through 4	2,460,452.	9 Balance at end of year. Subtract line 8 from line 5	<117,900.>

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Form 1065 (2003)

PRIVATE LABEL SOURCING, LLC

22-3800350

FORM 1065	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
COMMISSION INCOME	5,655,928.
SECTION 481(A)ADJUSTMENT-1ST YEAR	5,349.
TOTAL TO FORM 1065, LINE 7	5,661,277.

FORM 1065	TAX EXPENSE	STATEMENT	2
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DESCRIPTION	AMOUNT
NEW YORK CITY TAXES - BASED ON INCOME	59,458.
PAYROLL TAXES	284,923.
TOTAL TO FORM 1065, LINE 14	344,381.

FORM 1065	OTHER DEDUCTIONS	STATEMENT	3
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DESCRIPTION	AMOUNT
DESIGN EXPENSES	34,467.
UTILITIES	16,377.
SHOWROOM EXPENSE	1,553.
TRAVEL	270,315.
COMMUNICATION	34,971.
WAREHOUSE STORAGE	13,037.
OFFICE EXPENSES	64,400.
EQUIPMENT RENTAL	17,122.
INSURANCE	77,902.
PROFESSIONAL FEES	121,007.
BANK CHARGES	14,641.
FACTOR'S COMMISSION & CHARGES	81,376.
COMPUTER EXPENSE	18,612.
AUTO EXPENSE	80,155.
PRODUCTION SAMPLE DEVELOPMENT	543,708.
LESS: SECTION 263A	<275,338.>
LEGAL SETTLEMENT	100,000.
MEALS AND ENTERTAINMENT	48,991.
AMORTIZATION EXPENSE	2,000.
TOTAL TO FORM 1065, LINE 20	1,265,296.

PRIVATE LABEL SOURCING, LLC

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SCHEDULE A	OTHER COSTS	STATEMENT	4
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DESCRIPTION	AMOUNT
COMMISSIONS	39,757.
DUTY & BROKERAGE	77,954.
FREIGHT-IN	72,920.
OTHER CHARGES	17,475.
TOTAL TO FORM 1065, PAGE 2, LINE 5	208,106.

SCHEDULE A	ADDITIONAL SECTION 263A COSTS	STATEMENT	5
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DESCRIPTION	AMOUNT
PRODUCTION & DESIGN SALARIES & PAYROLL TAXES	143,406.
SAMPLE DEVELOPMENT	92,259.
SHIPPING/WAREHOUSING STORAGE	1,486.
OFFICE SALRIES & MEMBERS	20,155.
PAYROLL TAXES & BENEFITS	5,419.
INSURANCE EXPENSES	1,776.
DEPRECTION	2,136.
RENT & UTILITIES	7,530.
REPAIRS & MAINTENANCE	747.
COMPUTER EXPENSE	424.
TOTAL TO FORM 1065, PAGE 2, LINE 4	275,338.

SCHEDULE K	CHARITABLE CONTRIBUTIONS	STATEMENT	6
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DESCRIPTION	50% LIMIT	30% LIMIT	20% LIMIT
VARIOUS CASH CONTRIBUTIONS	22,000.		
TOTALS TO SCHEDULE K, LINE 8	22,000.		

PRIVATE LABEL SOURCING, LLC

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SCHEDULE K	NONDEDUCTIBLE EXPENSE	STATEMENT	7
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DESCRIPTION	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	48,991.
TOTAL TO SCHEDULE K, LINE 21	48,991.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	8
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
DUE FROM FACTOR	1,154,613.	383,631.
PREPAID EXPENSES	48,633.	49,467.
LOAN & EXCHANGES	697.	16,804.
TOTAL TO SCHEDULE L, LINE 6	1,203,943.	449,902.

SCHEDULE L	OTHER ASSETS	STATEMENT	9
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
SECURITY DEPOSIT	122,400.	137,680.
TOTAL TO SCHEDULE L, LINE 13	122,400.	137,680.

PRIVATE LABEL SOURCING, LLC22-3800350

FORM 1065

PARTNERS' CAPITAL ACCOUNT SUMMARY

STATEMENT 10

PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH- DRAWALS	ENDING CAPITAL
1	567,694.	125,000.	475,670.	1,289,176.	<120,812.>
2	586,416.	230,000.	475,672.	1,289,176.	2,912.
TOTAL	<u>1,154,110.</u>	<u>355,000.</u>	<u>951,342.</u>	<u>2,578,352.</u>	<u><117,900.></u>

SCHEDULE K-1
(Form 1065)Department of the Treasury
Internal Revenue Service**Partner's Share of Income, Credits, Deductions, etc.**

For calendar year 2003 or tax year

OMB No. 1545-0099

2003Partner's identifying number ▶ **142-70-5012**

Partner's name, address, and ZIP code

CHRISTINE DENTE
935 SEDGEWICK COURT
WESTFIELD, NJ 07090Partnership's identifying number ▶ **22-3800350**

Partnership's name, address, and ZIP code

PRIVATE LABEL SOURCING, LLC
470 BROOME STREET
NEW YORK, NY 10013**A** This partner is a ☐ general partner ☐ limited partner☒ limited liability company member**B** What type of entity is this partner? ▶ **INDIVIDUAL****C** Is this partner a ☒ domestic or a ☐ foreign partner?**D** Enter partner's percentage of:
Profit sharing % **50.0000000%**
Loss sharing % **50.0000000%**
Ownership of capital % **49.1889000%****E** IRS Center where partnership filed return: **CINCINNATI, OH****F** Partner's share of liabilities:Nonrecourse \$ **876,101.**Qualified nonrecourse financing \$ **0.**Other \$ **0.****G** Tax shelter registration number ▶**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐**I** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1**J** Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
567,694.	125,000.	475,670.	1,289,176.	<120,812.>

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	370,460.	See page 6 of Partner's instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		Form 1040, line 8a Form 1040, line 9b Form 1040, line 9a Sch. E, Part I, line 4 Sch. D, line 5, col. (g) Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f)
	a Interest income	1,653.	
	b (1) Qualified dividends		
	(2) Total ordinary dividends		
	c Royalty income		
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)		
	(2) Net short-term capital gain (loss) (entire year)		
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)		
	(2) Net long-term capital gain (loss) (entire year)		
	f Other portfolio income (loss) (attach schedule)		
	5 Guaranteed payments to partner		See pages 6 and 7 of Partner's instructions for Schedule K-1 (Form 1065).
Deductions	6 a Net section 1231 gain (loss) (post-May 5, 2003)		
	b Net section 1231 gain (loss) (entire year)		
	7 Other income (loss) (attach schedule)		
	8 Charitable contributions (attach schedule) SEE STATEMENT	11,000.	Sch. A, line 15 or 16
	9 Section 179 expense deduction	10,551.	
Credits	10 Deductions related to portfolio income (attach schedule)		See page 8 of Partner's instructions for Schedule K-1 (Form 1065).
	11 Other deductions (attach schedule)		
	12 a Low-income housing credit: (1) From section 42(j)(5) partnerships		
	(2) Other than on line 12a(1)		Form 8586, line 5
	b Qualified rehabilitation expenditures related to rental real estate activities		
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities		
	d Credits related to other rental activities		
	13 Other credits		See page 9 of Partner's instructions for Schedule K-1 (Form 1065).

JWA For Paperwork Reduction Act Notice, see instructions for Form 1065.

Schedule K-1 (Form 1065) 2003

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Schedule K-1 (Form 1065) 2003

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(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment interest	14 a Interest expense on investment debts	14a	Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f	14b(1) 1,653.	
	(2) Investment expenses included on line 10	14b(2)	
Self-employment	15 a Net earnings (loss) from self-employment	15a 370,460.	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c 2,826,405.	
Adjustments and tax preference items	16 a Depreciation adjustment on property placed in service after 1986	16a <684.	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065) and Form 6251.
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	16(d)(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	16(d)(2)	
	e Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17 a Name of foreign country or U.S. possession		Form 1116, Part I
	b Gross income from all sources	17b	
	c Gross income sourced at partner level	17c	
	d Foreign gross income sourced at partnership level:		
	(1) Passive	17d(1)	
	(2) Listed categories (attach schedule)	17d(2)	
	(3) General limitation	17d(3)	
	e Deductions allocated and apportioned at partner level:		
	(1) Interest expense	17e(1)	
	(2) Other	17e(2)	
	f Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive	17f(1)	
(2) Listed categories (attach schedule)	17f(2)		
(3) General limitation	17f(3)		
g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17g	Form 1116, Part II	
h Reduction in taxes available for credit (attach schedule)	17h	Form 1116, line 12	
Other	18 Section 59(e)(2) expenditures: a Type		See page 10 of Partner's Instructions for Schedule K-1 (Form 1065). Form 1040, line 8b
	b Amount	18b	
	19 Tax-exempt interest income	19	
	20 Other tax-exempt income	20	
	21 Nondeductible expenses	21 24,496.	See page 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	22 Distributions of money (cash and marketable securities)	22 1,289,176.	
	23 Distributions of property other than money	23	
	24 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	24a	Form 8611, line 8	
b Other than on line 24a	24b		
Supplemental information	25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		

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Schedule K-1 (Form 1065) 2003

1

10540902 797696 223800350

13
2003.06020 PRIVATE LABEL SOURCING, LLC 22380031

A 01204

PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE K-1

CHARITABLE CONTRIBUTIONS

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
CHARITABLE CONTRIBUTIONS - SUBJECT TO 50 PERCENT LIMIT	11,000.	ENTER ON SCH A (1040 FILERS) OR APPLICABLE LINE OF RETURN
TOTAL TO SCHEDULE K-1, LINE 8	11,000.	

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	24,496.	NONDEDUCTIBLE PORTION
TOTAL TO SCHEDULE K-1, LINE 21	24,496.	

EXHIBIT B

1065		U.S. Return of Partnership Income		OMB No. 1545-0048	
Form Department of the Treasury Internal Revenue Service		For calendar year 2004, or tax year beginning _____ and ending _____		2004	
A Principal business activity		Name of partnership		D. Employer identification number	
IMPORTER		PRIVATE LABEL SOURCING, LLC		22-3800350	
B Principal product or service		Number, street, and room or suite no. If P.O. box, see page 14 of the instructions.		E Date business started	
WOMEN'S APPAREL		597 BROADWAY		07/01/2001	
C Business code number		City or town, state, and ZIP code		F Total assets	
424300		NEW YORK, NY 10012		\$ 2,366,943.	
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input checked="" type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return					
H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____					
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year 2					

Caution: Include only trade or business income and expenses on lines 11 through 22 below. See the instructions for more information.

1 a Gross receipts or sales		1a	6,358,441.	
b Less returns and allowances		1b	153,830.	1c 6,204,611.
2 Cost of goods sold (Schedule A, line 8)		2	5,715,320.	
3 Gross profit. Subtract line 2 from line 1c		3	489,291.	
4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)		4		
5 Net farm profit (loss) (attach Schedule F (Form 1040))		5		
6 Net gain (loss) from Form 4797, Part II, line 17		6		
7 Other income (loss) (attach schedule)		7	SEE STATEMENT 3	3,838,391.
8 Total income (loss). Combine lines 3 through 7		8	4,327,682.	
9 Salaries and wages (other than to partners) (less employment credits)		9	1,796,672.	
10 Guaranteed payments to partners		10	304,000.	
11 Repairs and maintenance		11	36,686.	
12 Bad debts		12		
13 Rent		13	265,919.	
14 Taxes and licenses		14	SEE STATEMENT 4	141,674.
15 Interest		15	64,751.	
16 a Depreciation (if required, attach Form 4562)		16a	50,139.	
b Less depreciation reported on Schedule A and elsewhere on return		16b	50,139.	
17 Depletion (Do not deduct oil and gas depletion.)		17		
18 Retirement plans, etc.		18	58,795.	
19 Employee benefit programs		19	208,435.	
20 Other deductions (attach schedule)		20	SEE STATEMENT 5	1,092,425.
21 Total deductions. Add the amounts shown to the far right column for lines 9 through 20		21	4,019,496.	
22 Ordinary business income (loss). Subtract line 21 from line 8		22	308,186.	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.				
Signature of general partner or limited liability company member		Date		Has the IRS discussed this return with the partner shown below (see line 1)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Preparer's signature		Date	Check if self-employed <input type="checkbox"/>	Preparer's SSAN or PTIN
MARONEY COHEN & COMPANY, CPA, P.C.		133-48-6153		
1065 AVENUE OF THE AMERICAS		13-2895641		
NEW YORK, NY 10018		212-790-5700		

Form 1065 (2004) **PRIVATE LABEL SOURCING, LLC** 22-3800350 Page 2
Cost of Goods Sold (see page 19 of the instructions)

1	Inventory at beginning of year	1	248,003.
2	Purchases less cost of items withdrawn for personal use	2	4,376,354.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	719,910.
5	Other costs (attach schedule)	5	1,359,395.
6	Total. Add lines 1 through 5	6	6,703,662.
7	Inventory at end of year	7	988,342.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	5,715,320.

9 a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3
 (ii) ☒ Lower of cost or market as described in Regulations section 1.471-4
 (iii) ☐ Other (specify method used and attach explanation) ▶

COPY

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☒ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

Other Information

What type of entity is filing this return? Check the applicable box:		Yes	No
<input type="checkbox"/> Domestic general partnership	<input type="checkbox"/> Domestic limited partnership		
<input checked="" type="checkbox"/> Domestic limited liability company	<input type="checkbox"/> Domestic limited liability partnership		
<input type="checkbox"/> Foreign partnership	<input type="checkbox"/> Other ▶		
2 Are any partners in this partnership also partnerships?			X
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment			X
4 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details			X
5 Does this partnership meet all three of the following requirements? a The partnership's total receipts for the tax year were less than \$250,000; b The partnership's total assets at the end of the tax year were less than \$600,000; and c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item K on Schedule K-1			X
6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 9904, 9905 and 9913. See page 20 of the instructions			X
7 Is this partnership a publicly traded partnership as defined in section 409(a)(2)?			X
8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?			X
9 At any time during calendar year 2004, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F-90-22.1. If "Yes," enter the name of the foreign country. ▶			X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 21 of the instructions			X
11 Was there a distribution of property (or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made by the Partnership on page 9 of the instructions			X
12 Enter the number of Forms 990-B, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶			

Designation of Tax Matters Partner (see page 21 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶

Identifying number of TMP ▶

Address of designated TMP ▶

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 01-08-05

Form 1065 (2004)

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2004.05080 PRIVATE LABEL SOURCING, LLC 223800350

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Form 1065 (2004) PRIVATE LABEL SOURCING, LLC		22-3800350 Page 3	
Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	308,186.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract the 3b from line 3a	3c	
	4 Guaranteed payments	4	304,000.
	5 Interest income	5	1,454.
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10	24,150.	
11 Other income (loss) (attach statement)	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	4,213.
	13a Contributions	13a	
	b Deductions related to portfolio income (attach statement)	13b	
	c Investment interest expense	13c	
	d Section 59(e)(2) expenditures: (1) Type 1 (2) Amount	13d(2)	
e Other deductions (attach statement)	13e		
Self-employment	14a Net earnings (loss) from self-employment	14a	612,186.
	b Gross farming or fishing income	14b	
	c Gross partnership income	14c	4,327,682.
Credits & Credit Recapture	15a Low-income housing credit (section 42(f)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 8459)	15c	
	d Other rental real estate credits	15d	
	e Other rental credits	15e	
	f Other credits and credit recapture (attach statement)	15f	
Foreign Transactions	16a Name of country or U.S. possession	16a	
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level:		
	d Passive (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)	16d	
	e Deductions allocated and apportioned at partner level:		
	f Interest expense (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)	16e	
	g Deductions allocated and apportioned at partnership level to foreign source income:		
	h Passive (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)	16f	
	i Foreign taxes (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)	16g	
j Reduction in taxes available for credit (attach statement)	16h		
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	2,734.
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
	e Oil, gas, and geothermal properties - deductions	17e	
	f Other AMT items (attach statement)	17f	
	g Other AMT items (attach statement)	17g	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	49,532.
	d Distributions of cash and marketable securities	18d	148,157.
	e Distributions of other property	18e	
	f Investment income	18f	1,454.
g Investment expenses	18g		
h Other items and amounts (attach statement)	18h		

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01-05-04

Form 1065 (2004)

Form 1065 (2004) PRIVATE LABEL SOURCING, LLC

22-3880350 Page 4

Analysis of Net Income (Loss)

1 Net Income (Loss). Combine Sch K, lines 1 through 11. From the result, subtract the sum of lines 12 through 13a, and 16(1) or 16(2). 633,577.

2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nonresident alien
a General partners						
b Limited partners		633,577.				

Note: Schedules L, M-1, and M-2 are not required if Question 5 of Schedule B is answered "Yes."

Schedule M-2 Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		31,465.		104,174.
2a Trade notes and accounts receivable	6,003.		580,104.	
b Less allowance for bad debts		6,003.		580,104.
3 Inventories		198,842.		878,126.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)		449,902.		500,821.
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	1,116,082.		306,960.	
b Less accumulated depreciation	305,673.	810,409.	119,353.	187,607.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)		137,680.		116,111.
14 Total assets		1,634,301.		2,366,943.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				
18 All nonrecourse loans		1,752,201.		2,583,265.
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts		<117,900.		<216,322.>
22 Total liabilities and capital		1,634,301.		2,366,943.

Schedule M-3 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1 Net income (loss) per books	49,735.	2 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
STMT 13	✓ 115,565.	STMT 15	86,993.
3 Guaranteed payments (other than health insurance)	✓ 304,000.	7 Deductions included on Schedule K, lines 1 through 13a, and 16(1) (or 16(2)), not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13a, and 16(1) (or 16(2)) (itemize):		a Depreciation \$	
a Depreciation \$	117,802.	STMT 16	111,210.
b Travel and entertainment \$	✓ 49,532.	8 Add lines 6 and 7	198,203.
STMT 14	195,146.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	633,577.
5 Add lines 1 through 4	831,780.		

Schedule M-4 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	<117,900.	2a Distributions: a Cash	148,157.
2 Capital contributed:		b Property	
a Cash		7 Other decreases (itemize):	
b Property			
3 Net income (loss) per books	49,735.	8 Add lines 6 and 7	148,157.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 1	<216,322.>
5 Add lines 1 through 4	<68,165.		

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2004.05080 PRIVATE LABEL SOURCING, LLC 22380031

Form 1065 (2004)

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PRIVATE LABEL SOURCING, LLC

22-3800350

FORM 1065	OTHER INCOME	STATEMENT	3
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DESCRIPTION	AMOUNT
COMMISSION INCOME	3,833,042.
SECTION 481(A)ADJUSTMENT-2ND YEAR	5,349.
TOTAL TO FORM 1065, LINE 7	3,838,391.

COPY

FORM 1065	TAX EXPENSE	STATEMENT	4
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DESCRIPTION	AMOUNT
NEW YORK CITY TAXES - BASED ON INCOME	27,000.
PAYROLL TAXES	114,674.
TOTAL TO FORM 1065, LINE 14	141,674.

FORM 1065	OTHER DEDUCTIONS	STATEMENT	5
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DESCRIPTION	AMOUNT
DESIGN EXPENSES	67,094.
UTILITIES	12,442.
SHOWROOM EXPENSE	144,006.
TRAVEL	274,750.
COMMUNICATION	33,424.
WAREHOUSE EXPENSE	124,543.
OFFICE EXPENSES	30,227.
EQUIPMENT RENTAL	14,802.
INSURANCE	91,138.
PROFESSIONAL FEES	130,602.
BANK CHARGES	26,347.
FACTOR'S COMMISSION & CHARGES	58,302.
COMPUTER EXPENSE	30,397.
AUTO EXPENSE	81,172.
PRODUCTION SAMPLE DEVELOPMENT	621,713.
LESS: SECTION 263A	<719,910.>
LEGAL SETTLEMENT	75.
DUES & SUBSCRIPTIONS	2,321.
POSTAGE & DELIVERY	1,604.
PAYROLL SERVICES	2,917.
LOSS ON ABANDONMENT OF FIXED ASSETS	12,926.
MEALS AND ENTERTAINMENT	49,533.
AMORTIZATION EXPENSE	2,000.
TOTAL TO FORM 1065, LINE 20	1,092,425.

PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE A	OTHER COSTS	STATEMENT	6
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DESCRIPTION	AMOUNT
COMMISSIONS	188,612.
DUTY & BROKERAGE	670,899.
FREIGHT-IN	498,519.
OTHER CHARGES	1,365.
TOTAL TO FORM 1065, PAGE 2, LINE 5	1,359,395.

COPY

SCHEDULE A	ADDITIONAL SECTION 263A COSTS	STATEMENT	7
------------	-------------------------------	-----------	---

DESCRIPTION	AMOUNT
PRODUCTION & DESIGN SALARIES & PAYROLL TAXES	284,838.
SAMPLE DEVELOPMENT	269,011.
SHIPPING/WAREHOUSING STORAGE	38,492.
OFFICE SALARIES & MEMBERS	82,159.
PAYROLL TAXES & BENEFITS	10,695.
INSURANCE EXPENSES	3,684.
DEPRECIATION	10,641.
RENT & UTILITIES	16,243.
REPAIRS & MAINTENANCE	2,268.
COMPUTER EXPENSE	1,879.
TOTAL TO FORM 1065, PAGE 2, LINE 4	719,910.

SCHEDULE K	ADJUSTED GAIN OR LOSS	STATEMENT	8
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DESCRIPTION	AMOUNT
-------------	--------

TOTAL TO SCHEDULE K, LINE 17B

ADJUSTED GAIN OR LOSS ALLOCABLE TO:

SHORT-TERM CAPITAL GAIN OR LOSS
 LONG-TERM CAPITAL GAIN OR LOSS
 LONG-TERM COLLECTIBLES - 28% RATE
 SECTION 1231 GAIN OR LOSS
 ORDINARY GAIN OR LOSS
 UNRECAPTURED SECTION 1250 GAIN - 25% RATE

PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE K	NONDEDUCTIBLE EXPENSE	STATEMENT 9
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DESCRIPTION	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	49,532.
TOTAL TO SCHEDULE K, LINE 18C	49,532.

COPY

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 10
------------	----------------------	--------------

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
DUE FROM FACTOR	383,631.	363,062.
PREPAID EXPENSES	49,467.	76,835.
LOAN & EXCHANGES	16,804.	60,924.
TOTAL TO SCHEDULE L, LINE 6	449,902.	500,821.

SCHEDULE L	OTHER ASSETS	STATEMENT 11
------------	--------------	--------------

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
SECURITY DEPOSIT	137,680.	116,111.
TOTAL TO SCHEDULE L, LINE 13	137,680.	116,111.

PRIVATE LABEL SOURCING, LLC

22-3800350

FORM 1065

PARTNERS' CAPITAL ACCOUNT SUMMARY

STATEMENT 12

PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH- DRAWALS	ENDING CAPITAL
1	<120,812.>		24,868.	41,739.	<137,683.>
2	2,912.		24,867.	106,418.	<78,639.>
TOTAL	<117,900.>		49,735.	148,157.	<216,322.>

COPY

1

6511

Schedule K-1
(Form 1065)

2004

Department of the Treasury
Internal Revenue ServicePartner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Information About the PartnershipA Partnership's employer identification number
22-3800350

B Partnership's name, address, city, state, and ZIP code

PRIVATE LABEL SOURCING, LLC
597 BROADWAY
NEW YORK, NY 10012C IRS Center where partnership filed return
CINCINNATI, OHD ☐ Check if this is a publicly traded partnership (PTP)E ☐ Tax shelter registration number, if anyF ☐ Check if Form 6271 is attached**Information About the Partner**G Partner's identifying number
142-70-5012

H Partner's name, address, city, state, and ZIP code

CHRISTINE DENNE
935 SEDGEWICK COURT
WESTFIELD, NJ 07090I ☐ General partner or LLC ☒ Limited partner or other LLC
member-manager memberJ ☒ Domestic partner ☐ Foreign partnerK What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital

	Beginning	Ending
Profit	50.0000000%	50.0000000%
Loss	50.0000000%	50.0000000%
Capital	49.1889000%	49.1889000%

M Partner's share of liabilities at year end:

Nonrecourse	\$ 1,291,633
Qualified nonrecourse financing	\$ 0
Recourse	\$ 0

N Partner's capital account analysis:

Beginning capital account	\$ -120,812
Capital contributed during the year	\$
Current year increase (decrease)	\$ 24,868
Withdrawals & distributions	\$ 41,739
Ending capital account	\$ -137,683

☐ Tax basis ☒ GAAP ☐ Section 704(b) book
☐ Other (explain)

Final K-1 Amended K-1 OMB No. 1545-0045

**Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	154,093	15 Credits & credit recapture	
2 Net rental real estate income (loss)		16 Foreign transactions	
3 Other net rental income (loss)			
4 Guaranteed payments	152,000		
5 Interest income	727		
6a Ordinary dividends		17 Alternative min tax (AMT) items	
6b Qualified dividends		B* 1,367	
7 Royalties		18 Tax-exempt income and nondeductible expenses	
8 Net short-term capital gain (loss)		C* 24,766	
9a Net long-term capital gain (loss)			
9b Collectibles (28%) gain (loss)		19 Distributions	41,739
10a Unrecaptured sec 1250 gain		20 Other information	
10b Net section 1231 gain (loss)	12,075	A 727	
11 Other income (loss)			
12 Section 179 deduction	2,107		
13 Other deductions			
14 Self-employment earnings (loss)			
A 306,093			
C 2,163,841			

*See attached statement for additional information.

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Schedule K-1 (Form 1065) 2004

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2004.05080 PRIVATE LABEL SOURCING, LLC 22380031

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PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE K-1 ALTERNATIVE MINIMUM TAX, ADJUSTED
GAIN OR LOSS, BOX 17, CODE B

DESCRIPTION	AMOUNT	PARTNER FILING INSTRUCTIONS
SECTION 1231 GAIN OR LOSS	1,367.	SEE FORM 6251 INSTRUCTIONS

SCHEDULE K-1 NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	AMOUNT	PARTNER FILING INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	24,766.	NONDEDUCTIBLE PORTION

SCHEDULE K-1 CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT
ORDINARY INCOME (LOSS)	154,093.
INTEREST INCOME	727.
SECTION 1231 GAIN (LOSS)	12,075.
SECTION 179 EXPENSE	<2,107.>
GAIN/LOSS ON BOOKS AND NOT ON RETURN	43,497.
AMORTIZATION ON RETURN AND NOT ON BOOKS	1,000.
DEPRECIATION ON BOOKS AND NOT ON RETURN	<38,901.>
NONDEDUCTIBLE EXPENSES	<24,766.>
SEC. 263A ADJ - ENDING INVENTORY	<55,108.>
SECTION 481(A) ADJUSTMENT-2ND YEAR	<2,675.>
PENSION EXPENSE	<97,573.>
SEC. 263A ADJ - BEGINNING INVENTORY	24,581.
SECTION 461 ADJUSTMENT - PREPAID INSURANCE	15,770.
SECTION 461 ADJUSTMENT - PREPAID RENT	7,792.
LOSS ON ABANDONMENT OF FIXED ASSETS	6,463.
TOTAL TO SCHEDULE K-1, ITEM N	24,868.

COPY

SCHEDULE K-1 FOOTNOTES

LOSSES MAY BE LIMITED TO YOUR BASIS. PLEASE CONSULT
YOUR TAX ADVISOR.

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Schedule K-1
(Form 1085)

2004

Department of the Treasury
Internal Revenue ServiceTax year beginning
and endingPartner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Information About the Partnership

A Partnership's employer identification number
22-3800350

B Partnership's name, address, city, state, and ZIP code

PRIVATE LABEL SOURCING, LLC
597 BROADWAY
NEW YORK, NY 10012C IRS Center where partnership filed return
CINCINNATI, OHD ☐ Check if this is a publicly traded partnership (PTP)E ☐ Tax shelter registration number, if anyF ☐ Check if Form 8271 is attached

Information About the Partner

G Partner's identifying number
074-74-5839

H Partner's name, address, city, state, and ZIP code

BRUCE ALLEN
250 UPPER MOUNTAIN AVENUE
UPPER MONTCLAIR, NJ 07043I ☐ General partner or LLC member-manager ☒ Limited partner or other LLC memberJ ☒ Domestic partner ☐ Foreign partner

K What type of entity is this partner? INDIVIDUAL

L Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	50.0000000%	50.0000000%
Loss	50.0000000%	50.0000000%
Capital	50.8111000%	50.8111000%

M Partner's share of liabilities at year end:

Nonrecourse	\$ 1,291,632.
Qualified nonrecourse financing	\$ 0.
Recourse	\$ 0.

N Partner's capital account analysis:

Beginning capital account	\$ 2,912.
Capital contributed during the year	\$
Current year increase (decrease)	\$ 24,867.
Withdrawals & distributions	\$ 106,418.
Ending capital account	\$ -78,639.

☐ Tax basis ☒ GAAP ☐ Section 704(b) book
☐ Other (explain)
☐ Final K-1☐ Amended K-1

OMB No. 1545-0099

Partner's Share of Current Year Income, Deductions, Credits, and Other Items	
1 Ordinary business income (loss)	154,093.
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	
4 Guaranteed payments	152,000.
5 Interest income	727.
6a Ordinary dividends	
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	
9c Unrecaptured sec 1250 gain	
10 Net section 1221 gain (loss)	12,075.
11 Other income (loss)	
12 Section 179 deduction	2,106.
13 Other deductions	
14 Self-employment earnings (loss)	306,093.
15 Credits & credit recapture	
16 Foreign transactions	
17 Alternative min tax (AMT) items	B* 1,367.
18 Tax-exempt income and nondeductible expenses	C* 24,766.
19 Distributions	A 106,418.
20 Other information	A 727.
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Schedule K-1 (Form 1085) 2004

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2004.05080 PRIVATE LABEL SOURCING, LLC 22380031

D 01345

PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE K-1

ALTERNATIVE MINIMUM TAX, ADJUSTED
GAIN OR LOSS, BOX 17, CODE B

DESCRIPTION	AMOUNT	PARTNER FILING INSTRUCTIONS
SECTION 1231 GAIN OR LOSS	1,367.	SEE FORM 6251 INSTRUCTIONS

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	AMOUNT	PARTNER FILING INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	24,766.	NONDEDUCTIBLE PORTION

SCHEDULE K-1

CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT
ORDINARY INCOME (LOSS)	154,093.
INTEREST INCOME	727.
SECTION 1231 GAIN (LOSS)	12,075.
SECTION 179 EXPENSE	<2,106.>
GAIN/LOSS ON BOOKS AND NOT ON RETURN	43,496.
AMORTIZATION ON RETURN AND NOT ON BOOKS	1,000.
DEPRECIATION ON BOOKS AND NOT ON RETURN	<58,901.>
NONDEDUCTIBLE EXPENSES	<24,766.>
SEC. 263A ADJ - ENDING INVENTORY	<55,108.>
SECTION 481(A) ADJUSTMENT-2ND YEAR	<2,674.>
PENSION EXPENSE	<97,573.>
SEC. 263A ADJ - BEGINNING INVENTORY	24,580.
SECTION 461 ADJUSTMENT - PREPAID INSURANCE	15,770.
SECTION 461 ADJUSTMENT - PREPAID RENT	7,791.
LOSS ON ABANDONMENT OF FIXED ASSETS	6,463.
TOTAL TO SCHEDULE K-1, ITEM N	24,867.

COPY

SCHEDULE K-1

FOOTNOTES

LOSSES MAY BE LIMITED TO YOUR BASIS. PLEASE CONSULT
YOUR TAX ADVISOR.

EXHIBIT C

1065**U.S. Return of Partnership Income**

OMB No. 1545-0099

Form
Department of the Treasury
Internal Revenue Service

For calendar year 2005, or tax year beginning _____, and ending _____

2005

A Principal business activity IMPORTER	Use the IRS label. Otherwise, print or type.	Name of partnership PRIVATE LABEL SOURCING, LLC	D Employer identification number 22-3800350
B Principal product or service WOMEN'S APPAREL		Number, street, and room or suite no. If a P.O. box, see the instructions. 597 BROADWAY	E Date business started 07/01/2001
C Business code number 424300		City or town, state, and ZIP code NEW YORK, NY 10012	F Total assets \$ 1,538,210.

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

H Check accounting method: (1) Cash (2) ☒ Accrual (3) Other (specify) _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year **2**

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales	1a	10,205,095.	1c	10,205,095.
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)	2	8,338,835.		
	3 Gross profit. Subtract line 2 from line 1c	3	1,866,260.		
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	4			
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5			
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6			
	7 Other income (loss) (attach schedule)	7	See Statement 1	1,573,187.	
8 Total income (loss). Combine lines 3 through 7	8		3,439,447.		
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9	1,517,006.		
	10 Guaranteed payments to partners	10	365,894.		
	11 Repairs and maintenance	11	25,481.		
	12 Bad debts	12	250,000.		
	13 Rent	13	175,707.		
	14 Taxes and licenses	14	See Statement 2	104,448.	
	15 Interest	15	165,944.		
	16 a Depreciation (if required, attach Form 4562)	16a	50,251.		
	b Less depreciation reported on Schedule A and elsewhere on return	16b		50,251.	
	17 Depletion (Do not deduct oil and gas depletion.)	17			
	18 Retirement plans, etc.	18			
	19 Employee benefit programs	19	121,051.		
	20 Other deductions (attach schedule)	20	See Statement 3	1,321,576.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		4,097,358.		
22 Ordinary business income (loss). Subtract line 21 from line 8	22		<657,911.>		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member _____ Date _____

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed ☐

Firm's name (or yours if self-employed), address, and ZIP code **ROSENBERG RICH BAKER BERMAN & CO.** EIN **22-3271252**

380 FOOTHILL RD, P.O. BOX 6483 Phone no. **908-231-1000**

BRIDGEWATER, NJ 08807-0483

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Form 1065 (2005) **PRIVATE LABEL SOURCING, LLC**

22-3800350 Page 2

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	988,342.
2	Purchases less cost of items withdrawn for personal use	2	5,733,582.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) See Statement 4	5	1,616,911.
6	Total. Add lines 1 through 5	6	8,338,835.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	8,338,835.

9 a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
 (ii) ☒ Lower of cost or market as described in Regulations section 1.471-4
 (iii) Other (specify method used and attach explanation) ▶

- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶
 c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
 d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☒ Yes ☐ No
 e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
 If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box		
a	Domestic general partnership		
b	Domestic limited partnership		
c	<input checked="" type="checkbox"/> Domestic limited liability company		
d	Domestic limited liability partnership		
e	Foreign partnership		
f	Other ▶		
2	Are any partners in this partnership also partnerships?		<input checked="" type="checkbox"/>
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		<input checked="" type="checkbox"/>
4	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or a election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		<input checked="" type="checkbox"/>
5	Does this partnership meet all three of the following requirements? a The partnership's total receipts for the tax year were less than \$250,000; b The partnership's total assets at the end of the tax year were less than \$500,000; and c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item N on Schedule K-1		<input checked="" type="checkbox"/>
6	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See the instructions		<input checked="" type="checkbox"/>
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		<input checked="" type="checkbox"/>
8	Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
9	At any time during calendar year 2005, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		<input checked="" type="checkbox"/>
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See the instructions		<input checked="" type="checkbox"/>
11	Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership in the instructions		<input checked="" type="checkbox"/>
12	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		

Designation of Tax Matters Partner (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶

Identifying number of TMP ▶

Address of designated TMP ▶

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Form 1065 (2005)

Form 1065 (2005) PRIVATE LABEL SOURCING, LLC

22-3800350 Page 3

Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 <657,911.>
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach statement)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments	4 365,894.
	5 Interest income See Statement 5	5 2,547.
	6 Dividends: a Ordinary dividends	6a
	b Qualified dividends	6b
	7 Royalties	7
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
b Collectibles (28%) gain (loss)	9b	
c Unrecaptured section 1250 gain (attach statement)	9c	
10 Net section 1231 gain (loss) (attach Form 4797)	10 72,618.	
11 Other income (loss) (see instructions) Type ▶	11	
Deductions	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions	13a
	b Investment interest expense	13b
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)
d Other deductions (see instructions) Type ▶	13d See Statement 6	
Self-Employment	14a Net earnings (loss) from self-employment	14a 365,894.
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c
Credits & Credit Recapture	15a Low-income housing credit (section 42(j)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 8829)	15c
	d Other rental real estate credits (see instructions) Type ▶	15d
	e Other rental credits (see instructions) Type ▶	15e
	f Other credits and credit recapture (see instructions) Type ▶	15f
Foreign Transactions	16a Name of country or U.S. possession ▶	16a
	b Gross income from all sources	16b
	c Gross income sourced at partner level	16c
	d Foreign gross income sourced at partnership level	16d
	e Passive ▶ e Listed categories (attach stmt.) ▶ f General limitation ▶	16f
	Deductions allocated and apportioned at partner level	16g
	g Interest expense ▶ h Other ▶	16h
	Deductions allocated and apportioned at partnership level to foreign source income	16i
	i Passive ▶ j Listed categories (attach stmt.) ▶ k General limitation ▶	16k
	l Total foreign taxes (check one): ▶ Paid Accrued ▶	16l
	m Reduction in taxes available for credit (attach statement)	16m
n Other foreign tax information (attach statement)	16n	
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a 10,095.
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties - gross income	17d
	e Oil, gas, and geothermal properties - deductions	17e
	f Other AMT items (attach statement)	17f
Other Information	18a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses See Statement 7	18c 28,960.
	19a Distributions of cash and marketable securities	19a 111,744.
	b Distributions of other property	19b
	20a Investment income	20a 2,547.
b Investment expenses	20b	
c Other items and amounts (attach statement)	20c	

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Form 1065 (2005)

Form 1065 (2005) **PRIVATE LABEL SOURCING, LLC**

22-3800350 Page 4

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16i						1	<255,911.>
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		<255,911.>					

Note: Schedules L, M-1 and M-2 are not required if Question 5 of Schedule B is answered "Yes."

Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		104,174.		121,468.
2a Trade notes and accounts receivable	580,104.		597,960.	
b Less allowance for bad debts		580,104.		597,960.
3 Inventories		878,126.		
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)		500,821.		612,055.
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	306,960.		317,138.	
b Less accumulated depreciation	119,353.	187,607.	168,601.	148,537.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)		16,111.		58,190.
14 Total assets		2,366,943.		1,538,210.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				283,415.
18 All nonrecourse loans		2,583,265.		2,405,919.
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts		<216,322.		<1,151,124.>
22 Total liabilities and capital		2,366,943.		1,538,210.

Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1 Net income (loss) per books	<621,805.>	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
Stmt 11	<26,154.>		
3 Guaranteed payments (other than health insurance)	365,894.	7 Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):		a Depreciation \$	806.
a Depreciation \$		Stmt 12	2,000.
b Travel and entertainment \$	28,960.	8 Add lines 6 and 7	2,806.
	28,960.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	<255,911.>
5 Add lines 1 through 4	<253,105.>		

Analysis of Partners' Capital Accounts

1 Balance at beginning of year	<216,322.>	6 Distributions: a Cash	111,744.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	<621,805.>	Stmt 13	201,253.
4 Other increases (itemize):		8 Add lines 6 and 7	312,997.
5 Add lines 1 through 4	<838,127.>	9 Balance at end of year. Subtract line 8 from line 5	<1,151,124.>

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2005.08010 PRIVATE LABEL SOURCING, LLC 08-11141

Form 1065 (2005)

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PRIVATE LABEL SOURCING, LLC

22-3800350

Form 1065	Other Income	Statement	1
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Description	Amount
COMMISSION INCOME	1,567,838.
SECTION 481(A) ADJUSTMENT - 3RD YEAR	5,349.
Total to Form 1065, Line 7	1,573,187.

Form 1065	Tax Expense	Statement	2
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Description	Amount
New York City Taxes - Based on Income	7,242.
PAYROLL TAXES	97,206.
Total to Form 1065, Line 14	104,448.

Form 1065	Other Deductions	Statement	3
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Description	Amount
SHOWROOM EXPENSE	20,856.
TRAVEL	293,173.
AUTO EXPENSE	81,960.
TELEPHONE & FAX	64,141.
UTILITIES	11,072.
DESIGN SUPPLIES	35,743.
PRODUCTION SAMPLE DEVELOPMENT	316,328.
WAREHOUSE & STORAGE EXPENSE	153,154.
DUES & SUBSCRIPTIONS	475.
POSTAGE & MESSENGER	1,711.
OFFICE SUPPLIES & EXPENSE	9,261.
COMPUTER SUPPLIES & EXPENSE	18,291.
PROFESSIONAL FEES	111,591.
PAYROLL PROCESSING	2,666.
BANK CHARGES & FEES	23,924.
INSURANCE EXPENSE	62,626.
EQUIPMENT RENTAL	13,028.
FACTOR COMMISSIONS	70,616.
Meals and Entertainment	28,960.
Amortization expense	2,000.
Total to Form 1065, Line 20	1,321,576.

PRIVATE LABEL SOURCING, LLC

22-3800350

Schedule A	Other Costs	Statement	4
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Description	Amount
COMMISSIONS	319,301.
DUTY & BROKERAGE	613,658.
FREIGHT-IN	681,316.
OTHER CHARGES	2,636.
Total to Form 1065, Page 2, Line 5	1,616,911.

Schedule K	Interest Income	Statement	5
------------	-----------------	-----------	---

Description	U.S. Bonds	Other
INTEREST INCOME		2,547.
Total to Schedule K, Line 5		2,547.

Schedule K	Other Deductions	Statement	6
------------	------------------	-----------	---

Description	Amount
DEFINED BENEFIT PLAN CONTRIBUTIONS	39,059.
Total included in Schedule K, Line 13d	39,059.

Schedule K	Nondeductible Expense	Statement	7
------------	-----------------------	-----------	---

Description	Amount
Excluded meals and entertainment expenses	28,960.
Total to Schedule K, Line 18c	28,960.

PRIVATE LABEL SOURCING, LLC

22-3800350

Schedule L	Other Current Assets	Statement	8
------------	----------------------	-----------	---

Description	Beginning of Tax Year	End of Tax Year
DUE FROM FACTOR	363,062.	539,227.
PREPAID EXPENSES	76,835.	31,552.
LOAN & EXCHANGES	60,924.	4,351.
City prepaid taxes	0.	36,925.
Total to Schedule L, Line 6	500,821.	612,055.

Schedule L	Other Assets	Statement	9
------------	--------------	-----------	---

Description	Beginning of Tax Year	End of Tax Year
SECURITY DEPOSITS	116,111.	58,190.
Total to Schedule L, Line 13	116,111.	58,190.

Schedule L	Other Current Liabilities	Statement	10
------------	---------------------------	-----------	----

Description	Beginning of Tax Year	End of Tax Year
ACCRUED PENSION	0.	45,166.
ACCRUED EXPENSES	0.	238,249.
Total to Schedule L, Line 17	0.	283,415.

Schedule M-1	Income Not Recorded on Books this Year	Statement	11
--------------	--	-----------	----

Description	Amount
263A ADJUSTMENT	<110,216.>
SECTION 481(A) ADJUSTMENT	5,349.
DEFINED BENEFIT PENSION EXPENSE (NET)	6,107.
PREPAID EXPENSES - IRC SECTION 461 BEGINNING OF YEAR	31,540.
PREPAID EXPENSES - IRC SECTION 461 END OF YEAR	<31,552.>
Gain (loss) on disposition of assets	72,618.
Total to Schedule M-1, Line 2	<26,154.>

PRIVATE LABEL SOURCING, LLC

22-3800350

Schedule M-1	Deductions on Return Not Charged Against Books	Statement 12
--------------	--	--------------

Description	Amount
Amortization	2,000.
Total to Schedule M-1, Line 7	2,000.

Schedule M-2	Other Decreases	Statement 13
--------------	-----------------	--------------

Description	Amount
OTHER COMPREHENSIVE ADJUSTMENTS - DB PENSION	201,253.
Total to Schedule M-2, Line 7	201,253.

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OMB No. 1545-0099

ending

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PRIVATE LABEL SOURCING, LLC

22-3800350

Schedule K-1 Other Deductions, Box 13, Code W

Description	Amount	Partner Filing Instructions
DEFINED BENEFIT PLAN CONTRIBUTIONS	19,530.	

Schedule K-1 Nondeductible Expenses, Box 18, Code C

Description	Amount	Partner Filing Instructions
Excluded meals and entertainment expenses	14,480.	Nondeductible portion

Schedule K-1 Current Year Increases (Decreases)

Description	Amount	Totals
Ordinary income (loss)	<328,956.>	
Interest income	1,274.	
Section 1231 gain (loss)	36,309.	
Schedule K-1 income subtotal		<291,373.>
Other deductions	<19,530.>	
Schedule K-1 deductions subtotal		<19,530.>
Amortization on return and not on books	1,000.	
Depreciation on return and not on books	403.	
Gain/loss on return and not on books	<36,309.>	
Nondeductible expenses	<14,480.>	
263A ADJUSTMENT	55,108.	
SECTION 481(A) ADJUSTMENT	<2,675.>	
DEFINED BENEFIT PENSION EXPENSE (NET)	<3,054.>	
PREPAID EXPENSES - IRC SECTION 461 BEGINNING OF YEAR	<15,770.>	
PREPAID EXPENSES - IRC SECTION 461 END OF YEAR	15,776.	
OTHER COMPREHENSIVE ADJUSTMENTS - DB PENSION	<100,627.>	
Other increases or decreases subtotal		<100,628.>
Total to Schedule K-1, Item N		<411,531.>

PRIVATE LABEL SOURCING, LLC

22-3800350

Schedule K-1

Footnotes

YOUR LOSS MAY BE LIMITED FROM LACK OF BASIS. PLEASE CONSULT
YOUR TAX ADVISOR.

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Schedule K-1
(Form 1065)

For calendar year 2005, or tax

2005

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

year beginning _____

ending _____

**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number

22-3800350

B Partnership's name, address, city, state, and ZIP codePRIVATE LABEL SOURCING, LLC
597 BROADWAY
NEW YORK, NY 10012**C** IRS Center where partnership filed return

Cincinnati, OH

D Check if this is a publicly traded partnership (PTP)**E** Tax shelter registration number, if any _____**F** Check if Form 8271 is attached**Part II Information About the Partner****G** Partner's identifying number

074-74-5839

H Partner's name, address, city, state, and ZIP codeBRUCE ALLEN
250 UPPER MOUNTAIN AVENUE
UPPER MONTCLAIR, NJ 07043**I** General partner or LLC☒ Limited partner or other LLC

member-manager

member

J ☒ Domestic partner

Foreign partner

K What type of entity is this partner? Individual**L** Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	50.0000000%	50.0000000%
Loss	50.0000000%	50.0000000%
Capital	50.8111000%	50.8111000%

M Partner's share of liabilities at year end:

Nonrecourse	\$	1,344,667.
Qualified nonrecourse financing	\$	0.
Recourse	\$	0.

N Partner's capital account analysis:

Beginning capital account	\$	<78,639
Capital contributed during the year	\$	
Current year increase (decrease)	\$	<411,527.
Withdrawals & distributions	\$	62,725.
Ending capital account	\$	<552,891.

☒ Tax basis

GAAP

Section 704(b) book

Other (explain)

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	<328,955.>	15 Credits & credit recapture
2 Net rental real estate income (loss)		16 Foreign transactions
3 Other net rental income (loss)		
4 Guaranteed payments	182,753.	
5 Interest income	1,273.	
6a Ordinary dividends		17 Alternative min tax (AMT) items
6b Qualified dividends		A 5,047.
7 Royalties		18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)		C* 14,480.
9a Net long-term capital gain (loss)		
9b Collectibles (28%) gain (loss)		19 Distributions
10 Net section 1231 gain (loss)	36,309.	A 62,725.
11 Other income (loss)		20 Other information
		A 1,273.
12 Section 179 deduction		
13 Other deductions	W* 19,529.	
14 Self-employment earnings (loss)	A 182,753.	

*See attached statement for additional information.

For IRS Use Only

JWA For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2005

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2005.08010 PRIVATE LABEL SOURCING, LLC 08-11141

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PRIVATE LABEL SOURCING, LLC

22-3800350

Schedule K-1 Other Deductions, Box 13, Code W

Description	Amount	Partner Filing Instructions
DEFINED BENEFIT PLAN CONTRIBUTIONS	19,529.	

Schedule K-1 Nondeductible Expenses, Box 18, Code C

Description	Amount	Partner Filing Instructions
Excluded meals and entertainment expenses	14,480.	Nondeductible portion

Schedule K-1 Current Year Increases (Decreases)

Description	Amount	Totals
Ordinary income (loss)	<328,955.>	
Interest income	1,273.	
Section 1231 gain (loss)	36,309.	
Schedule K-1 income subtotal		<291,373.>
Other deductions	<19,529.>	
Schedule K-1 deductions subtotal		<19,529.>
Amortization on return and not on books	1,000.	
Depreciation on return and not on books	403.	
Gain/loss on return and not on books	<36,309.>	
Nondeductible expenses	<14,480.>	
263A ADJUSTMENT	55,108.	
SECTION 481(A) ADJUSTMENT	<2,674.>	
DEFINED BENEFIT PENSION EXPENSE (NET)	<3,053.>	
PREPAID EXPENSES - IRC SECTION 461 BEGINNING OF YEAR	<15,770.>	
PREPAID EXPENSES - IRC SECTION 461 END OF YEAR	15,776.	
OTHER COMPREHENSIVE ADJUSTMENTS - DB PENSION	<100,626.>	
Other increases or decreases subtotal		<100,625.>
Total to Schedule K-1, Item N		<411,527.>

PRIVATE LABEL SOURCING, LLC

22-3800350

Schedule K-1 -

Footnotes

YOUR LOSS MAY BE LIMITED FROM LACK OF BASIS. PLEASE CONSULT
YOUR TAX ADVISOR.

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EXHIBIT D

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Form 1065 Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2006, or tax year beginning _____, ending _____ ▶ See separate instructions.		OMB No. 1545-0099 2006
A Principal business activity IMPORTER	Use the IRS label. Otherwise, print or type.	Name of partnership PRIVATE LABEL SOURCING, LLC	D Employer identification number 22-3800350	
B Principal product or service WOMEN'S APPA		Number, street, and room or suite no. If a P.O. box, see the instructions. 597 BROADWAY 2ND FLOOR	E Date business started 7/01/2001	
C Business code number 424300		City or town, state, and ZIP code NEW YORK NY 10012	F Total assets (see the instructions) \$ 1,414,587	
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input checked="" type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return				
H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ _____				
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2				
J Check if Schedule M-3 required (attach Schedule M-3) <input type="checkbox"/>				

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a	10,822,118		
	b Less returns and allowances	1b		1c 10,822,118	
	2 Cost of goods sold (Schedule A, line 8)	2		8,840,075	
	3 Gross profit. Subtract line 2 from line 1c	3		1,982,043	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4			
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5			
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6			
	7 Other income (loss) (attach statement)	See Statement 1		7	180,116
8 Total income (loss). Combine lines 3 through 7	8		2,162,159		
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9		953,528	
	10 Guaranteed payments to partners	10		43,590	
	11 Repairs and maintenance	11		6,069	
	12 Bad debts	12		4,351	
	13 Rent	13		235,841	
	14 Taxes and licenses	See Statement 2		14	58,914
	15 Interest	15		215,992	
	16a Depreciation (if required, attach Form 4562)	16a	43,399		
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c 43,399	
	17 Depletion (Do not deduct oil and gas depletion.)	17			
	18 Retirement plans, etc.	18		1,390	
	19 Employee benefit programs	19		105,265	
	20 Other deductions (attach statement)	See Statement 3		20	1,245,906
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		2,914,245		
22 Ordinary business income (loss). Subtract line 21 from line 8	22		-752,086		
23 Credit for federal telephone excise tax paid (attach Form 8913)	23				

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.		
	<div style="display: flex; justify-content: space-between;"> <div>Signature of general partner or limited liability company member manager</div> <div>Date</div> </div>		
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code	10/15/07	Preparer's SSN or PTIN P00225941
	MANGO & HUBER, LLC, CPAS 53 Cardinal Drive Westfield, NJ 07090	EIN ▶ 22-2850926	Phone no. 908-654-3500

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.
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Form 1065 (2006)

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Form 1065 (2006) **PRIVATE LABEL SOURCING, LLC****22-3800350**

Page 2

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	6,920,657
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	2,289,121
6	Total. Add lines 1 through 5	6	9,209,778
7	Inventory at end of year	7	369,703
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	8,840,075

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3
 (ii) ☒ Lower of cost or market as described in Regulations section 1.471-4
 (iii) ☐ Other (specify method used and attach explanation) ▶

- b** Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ☐ Yes ☒ No
c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐ Yes ☒ No
d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☒ Yes ☐ No
e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No
 If "Yes," attach explanation.

Schedule B Other Information

1	What type of entity is filing this return? Check the applicable box:	Yes	No
a	<input type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input checked="" type="checkbox"/> Domestic limited liability company		
d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other ▶		
2	Are any partners in this partnership also partnerships?		<input checked="" type="checkbox"/>
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		<input checked="" type="checkbox"/>
4	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		<input checked="" type="checkbox"/>
5	Does this partnership meet all three of the following requirements? a The partnership's total receipts for the tax year were less than \$250,000; b The partnership's total assets at the end of the tax year were less than \$600,000; and c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item N on Schedule K-1.		<input checked="" type="checkbox"/>
6	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See the instructions	<input checked="" type="checkbox"/>	
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		<input checked="" type="checkbox"/>
8	Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
9	At any time during calendar year 2006, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		<input checked="" type="checkbox"/>
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See the instructions		<input checked="" type="checkbox"/>
11	Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership in the instructions		<input checked="" type="checkbox"/>
12	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		

Designation of Tax Matters Partner (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
Address of designated TMP ▶	

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Form 1065 (2006)

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Form 1065 (2006) **PRIVATE LABEL SOURCING, LLC****22-3800350**

Page 3

Schedule K: Partners' Distributive Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	-752,086
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	43,590
	5 Interest income	5	
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8		
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	2,162,159
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Passive ▶ e Listed categories (attach statement) f General limitation ▶	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense ▶ h Other ▶	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive ▶ j Listed categories (attach statement) k General limitation ▶	16k	
	l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l	
m Reduction in taxes available for credit (attach statement)	16m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	2
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties-gross income	17d	
	e Oil, gas, and geothermal properties-deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	38,887
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach statement)			

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Form 1065 (2006)

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Form 1065 (2006)

PRIVATE LABEL SOURCING, LLC

22-3800350

Page 4

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1	-708,496
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners	-376,043		-332,453				

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			121,468		85,078
2a Trade notes and accounts receivable		597,960		483,621	
b Less allowance for bad debts			597,960		483,621
3 Inventories					369,703
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (attach statement) See Stmt 6			612,055		185,528
7 Mortgage and real estate loans					
8 Other investments (attach statement)					
9a Buildings and other depreciable assets		317,138		485,556	
b Less accumulated depreciation		168,601	148,537	253,089	232,467
10a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)					
12a Intangible assets (amortizable only)					0
b Less accumulated amortization					
13 Other assets (attach statement) See Stmt 7			58,190		58,190
14 Total assets			1,538,210		1,414,587
Liabilities and Capital					
15 Accounts payable					3,243,381
16 Mortgages, notes, bonds payable in less than 1 year					79,461
17 Other current liabilities (attach statement) See Stmt 8			283,415		1,558
18 All nonrecourse loans			2,405,919		
19 Mortgages, notes, bonds payable in 1 year or more					72,373
20 Other liabilities (attach statement)					
21 Partners' capital accounts			-1,151,124		-1,982,186
22 Total liabilities and capital			1,538,210		1,414,587

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	-831,062	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)	43,590	7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation \$	
a Depreciation \$ 41,089		See Statement 10	
b Travel and entertainment \$ 7,971		1,000	1,000
See Statement 9		8 Add lines 6 and 7	1,000
30,916	79,976	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-708,496
5 Add lines 1 through 4	-707,496		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	-1,151,124	6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-831,062		
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4	-1,982,186	9 Balance at end of year. Subtract line 8 from line 5	-1,982,186

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Form 1065 (2006)

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Partner# 1
Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue ServiceFor calendar year 2006, or tax
year beginning _____
ending _____**2006****Partner's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

Part I Information About the Partnership	
A	Partnership's employer identification number 22-3800350
B	Partnership's name, address, city, state, and ZIP code PRIVATE LABEL SOURCING, LLC 597 BROADWAY 2ND FLOOR NEW YORK NY 10012
C	IRS Center where partnership filed return Cincinnati, OH 45999-0011
D	<input type="checkbox"/> Check if this is a publicly traded partnership (PTP)
E	<input type="checkbox"/> Tax shelter registration number, if any _____
F	<input type="checkbox"/> Check if Form 8271 is attached

Part II Information About the Partner													
G	Partner's identifying number 142-70-5012												
H	Partner's name, address, city, state, and ZIP code CHRISTINE A PETTI 935 SEDGEWICK COURT WESTFIELD NJ 07090												
I	<input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member												
J	<input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner												
K	What type of entity is this partner? Individual												
L	Partner's share of profit, loss, and capital: <table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>50.000000 %</td> <td>50.000000 %</td> </tr> <tr> <td>Loss</td> <td>50.000000 %</td> <td>50.000000 %</td> </tr> <tr> <td>Capital</td> <td>49.188900 %</td> <td>49.188900 %</td> </tr> </tbody> </table>		Beginning	Ending	Profit	50.000000 %	50.000000 %	Loss	50.000000 %	50.000000 %	Capital	49.188900 %	49.188900 %
	Beginning	Ending											
Profit	50.000000 %	50.000000 %											
Loss	50.000000 %	50.000000 %											
Capital	49.188900 %	49.188900 %											
M	Partner's share of liabilities at year end: Nonrecourse \$ _____ Qualified nonrecourse financing \$ _____ Recourse \$ 1,698,387												
N	Partner's capital account analysis: Beginning capital account \$ -598,233 Capital contributed during the year \$ _____ Current year increase (decrease) \$ -415,533 Withdrawals & distributions \$ (_____) Ending capital account \$ -1,013,766												
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book <input type="checkbox"/> Other (explain) _____													

☐ Final K-1☐ Amended K-1**651106**
OMB No. 1545-0099

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
	-376,043		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
	43,590		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
		A	1
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C*	STMT
		19	Distributions
12	Section 179 deduction		
13	Other deductions		
		20	Other information
14	Self-employment earnings (loss)		
C	1,081,080		

* See attached statement for additional information.

For IRS Use Only



PRLBL 10/15/2007 1:03 PM

Partner# 2
Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue ServiceFor calendar year 2006, or tax
year beginning _____
ending _____**2006**☐ Final K-1☐ Amended K-1**651106**
OMB No. 1545-0099**Partner's Share of Income, Deductions, Credits, etc.**

▶ See back of form and separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number**22-3800350****B** Partnership's name, address, city, state, and ZIP code**PRIVATE LABEL SOURCING, LLC****597 BROADWAY 2ND FLOOR
NEW YORK NY 10012****C** IRS Center where partnership filed return**Cincinnati, OH 45999-0011****D** ☐ Check if this is a publicly traded partnership (PTP)**E** ☐ Tax shelter registration number, if any _____**F** ☐ Check if Form 8271 is attached**Part II Information About the Partner****G** Partner's identifying number**Applied For****H** Partner's name, address, city, state, and ZIP code**JETWELL GARMENTS, LT
576-586 CASTLE PEAK ROAD
CHEUNG SAH WAN
KOWLOON****I** ☐ General partner or LLC
member-manager☒ Limited partner or other LLC
member**J** ☐ Domestic partner☒ Foreign partner**K** What type of entity is this partner? **Corporation****L** Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	50.000000 %	50.000000 %
Loss	50.000000 %	50.000000 %
Capital	50.811100 %	50.811100 %

M Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	1,698,386

N Partner's capital account analysis:

Beginning capital account	\$	-552,891
Capital contributed during the year	\$	
Current year increase (decrease)	\$	-415,529
Withdrawals & distributions	\$	
Ending capital account	\$	-968,420

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain) _____
Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	-376,043		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
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8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
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9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C*	STMT
12	Section 179 deduction	19	Distributions
13	Other deductions		
		20	Other information
		W*	STMT
14	Self-employment earnings (loss)		
C	1,081,079		

* See attached statement for additional information.

For IRS Use Only



PRLBL PRIVATE LABEL SOURCING, LLC

22-3800350

Federal Statements

10/15/2007 1:03 PM

FYE: 12/31/2006

Statement 1 - Form 1065, Page 1, Line 7 - Other Income (Loss)

Description	Amount
INSURANCE PROCEEDS	\$ 180,061
MISC	55
Total	\$ 180,116

Statement 2 - Form 1065, Page 1, Line 14 - Taxes

Description	Amount
NEW YORK CITY FILING FEE	\$ 500
BUSINESS LICENSES AND FEES	200
PAYROLL TAXES	58,214
Total	\$ 58,914

Statement 3 - Form 1065, Page 1, Line 20 - Other Deductions

Description	Amount
ADVERTISING	\$ 1,039
ASSISTANT FEE	3,488
AUTO ALLOWANCE	11,000
AUTO LEASE	13,652
BANK SERVICE CHARGES	17,785
CAR SERVICES	22,930
CAR EXPENSES	22,877
COMPUTER EXPENSES	12,524
COMPUTER MAINTENANCE	10,460
CONFERENCES & SEMINARS	5,710
CONSULTING EXPENSE	138,184
COURIER SERVICES	85,054
DESIGN SUPPLIES	26,346
DESIGNER FEE	13,822
DUES & SUBSCRIPTIONS	3,244
EQUIPMENT RENTAL EXPENSE	13,165
FACTOR COMMISSIONS	65,715
INSURANCE	56,561
INTERNET FEE	5,075
MISCELLANEOUS	3,338
OFFICE CLEANING	12,800
OFFICE EXPENSE	11,627
PHOTOCOPYING	1,186
POSTAGE & SHIPPING	534
PROFESSIONAL FEES	79,124
BONUSES	25,200
FACTORY & CUSTOMER SAMPLES	367,669
TELEPHONE & FAX	45,265
TRAVEL	148,965
UTILITIES	12,595
Entertainment Expense * 50%	7,972
Amortization	1,000
Total	\$ 1,245,906

PRLBL PRIVATE LABEL SOURCING, LLC
22-3800350
FYE: 12/31/2006

Federal Statements

10/15/2007 1:03 PM

Statement 4 - Form 1065, Schedule A, Line 5 - Other Costs

<u>Description</u>	<u>Amount</u>
CUSTOM DUTIES	\$ 1,206,943
FREIGHT COSTS	348,193
LABELS	1,939
WAREHOUSE FEES	314,615
AGENT COMMISSIONS	417,431
Total	<u>\$ 2,289,121</u>

PRLBL PRIVATE LABEL SOURCING, LLC

10/15/2007 1:03 PM

22-3800350

Federal Statements

FYE: 12/31/2006

Statement 5 - Form 1065, Schedule K, Line 18c - Nondeductible Expenses

<u>Description</u>	<u>Amount</u>
Nondeductible Meals and Entertainment	\$ 7,971
OFFICER LIFE INSURANCE	25,065
30% AUTOMOBILE LEASE	5,851
Total	<u>\$ 38,887</u>

PRLBL PRIVATE LABEL SOURCING, LLC
 22-3800350
 FYE: 12/31/2006

Federal Statements

10/15/2007 1:03 PM

Statement 6 - Form 1065, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
Due from Factor	\$ 539,227	\$ 153,486
Prepaid Expenses	31,552	29,542
Loan & Exchanges	4,351	
Prepaid NYC Tax	36,925	2,500
Total	\$ 612,055	\$ 185,528

Statement 7 - Form 1065, Schedule L, Line 13 - Other Assets

Description	Beginning of Year	End of Year
Security Deposits	\$ 58,190	\$ 58,190
Total	\$ 58,190	\$ 58,190

Statement 8 - Form 1065, Schedule L, Line 17 - Other Current Liabilities

Description	Beginning of Year	End of Year
Accrued Pension	\$ 45,166	\$
Accrued Expenses	238,249	
Taxes Payable		1,558
Total	\$ 283,415	\$ 1,558

Statement 9 - Form 1065, Sch M-1, Ln 4 - Expenses Recorded on Books, Not on Sch K

Description	Amount
OFFICER LIFE INSURANCE	\$ 25,065
30% AUTOMOBILE LEASE	5,851
Total	\$ 30,916

Statement 10 - Form 1065, Sch M-1, Line 7 - Deductions Included on Sch K, Not on Books

Description	Amount
Book-Tax Amortization Difference	\$ 1,000
Total	\$ 1,000

EXHIBIT E

PURCHASE AGREEMENT

This agreement was signed and executed on the fourth day of January, 2006.

SELLER of shares is BRUCE ALLEN, an individual residing at 250 Upper Mountain Ave., Upper Montclair, New Jersey 07043 (Hereinafter "Seller").

PURCHASER of shares is JETWELL GARMENTS LIMITED, a corporation organized under the laws of Hong Kong SAR, having its registered address at Unit C, 10th Floor, Garment Centre, 576-586 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (Hereinafter "Buyer" or "Jetwell").

WHEREAS:

- A. Seller is the owner of a fifty percent (50%) equity interest in PRIVATE LABEL SOURCING, LLC, a Delaware limited liability company. (Hereinafter "LLC")
- B. CHRISTINE DENTE, residing at 935 Sedgewick Court, Westfield, New Jersey 07090, is the other fifty percent (50%) equity interest owner of the LLC.
- C. Seller wishes to sell, and Purchaser wishes to buy, all of seller's interest in the LLC. (Hereinafter "the Interest")

REPRESENTATIONS AND WARRANTIES:

(a) Seller represents and warrants to Buyer that he is the owner of the Interest and that the Interest is all of the equity of the LLC owned by Seller. Seller owns the Interest free and clear of all liens and encumbrances, and he has the legal right to transfer the Interest to Buyer.

(b) Seller represents and warrants to Buyer that the execution and consummation of this Agreement and the transactions contemplated hereby will not violate any law or regulation applicable to Seller and will not conflict with or result in any breach of the terms or constitute a default under any agreement or instrument to which Seller is bound.

(c) Buyer represents and warrants to Seller that the execution and consummation of this Agreement and the transactions contemplated hereby will not violate any law or regulation applicable to Buyer and will not conflict with or result in any breach of the terms or constitute a default under any of Buyer's organizational documents or any agreement or instrument to which Buyer is bound.

(d) Buyer represents and warrants that it is experienced in the business in which the LLC is engaged and has such knowledge of the LLC's business and prospects that Buyer is capable of determining that purchase of the Interest pursuant to

this Agreement is in Buyer's best interests. Buyer further acknowledges that no representations or warranties have been made to Buyer by Seller or the LLC regarding the value of the Interest or the business or prospects of the LLC.

(e) Buyer represents that it was provided all documents requested with regard to its due diligence of LLC and that based upon its review, or its request for review, it is satisfied and is willing to proceed with this transaction. In this respect, the Seller shall endeavor to supply the Buyer with all the LLC's company and business documents requested by the Buyer, including all books of accounts to enable the Buyer or its authorized representative to make such inspection and examination. The Seller shall also ask the other Member of the LLC to make available such documents to the Buyer so it may carry out such inspection. The Seller expressly allows and shall also procure the consent of the LLC to allow Buyer, or its representatives, to make on site inspections and observations for such reasonable period as requested by the Buyer.

NOW, THEREFORE, the parties and signatories to this agreement agree as follows:

1. On ³or before January 3, 2006, (the "closing date"), Seller will transfer the Interest to Purchaser. Such transfer shall be made by delivery of an assignment of interest in the form attached as Exhibit 1(a). The seller shall also at his own costs and expenses sign and execute and supply the Purchaser with such other legal document, if any, as prescribed by law and necessary to effectuate such transfer of Seller's interest to the Purchaser's name at the closing date or such reasonable time necessary for such completion of transfer.
2. Effective on the closing date, Seller hereby resigns as an employee of the LLC. The Seller shall also produce to the Purchaser such document that the Seller shall have no claim whatsoever out of the employment with the LLC and vice versa.
3. A new operating agreement for the LLC will be drafted, and adopted by the new LLC members, Jetwell and Christine Dente. The current LLC operating agreement shall be voided.
4. Jetwell will assume the liabilities of Seller's LLC membership, through 12-31-05; liabilities assumed are restricted to those liabilities disclosed by Seller to Jetwell, including accounts receivable and accounts payable. Seller shall continue to be liable for those debts or obligations not disclosed to Jetwell. However, any liabilities set forth in the books and records of the LLC and made available to Jetwell during the due diligence period shall be considered "debts or obligations" that were disclosed to Jetwell.
5. The 2005 calendar year Balance Sheet of LLC will be provided at the closing.

Jetwell
Christine Dente

6. On the closing date, Seller shall relinquish all assets, income, debts and liabilities of the LLC, including but not limited to, any and all profit sharing from the LLC.
7. After the closing date, Bruce Allen and Christine Dente shall forego any claims they may have against each other, or against the LLC and each individual shall release the other for any and all claims that exist as of the date of the closing.
8. All existing bank accounts will be closed, and new bank accounts established for the LLC. (a date will be agreed by the buyer and the another member Christine Dente to close the existing bank accounts, but make sure that the seller and the current controller, Janett Alvarado, will no longer be the signers of these bank accounts)
9. LLC will order LLC member interest certificate book, and issue member interest certificates to Dente and Jetwell, which will reflect each party's 50% interest in the LLC. Jetwell will keep and maintain the member interest certificate book (or kit) of the LLC thereafter.
10. The consideration payable by Purchaser to Seller for the Interest is \$300,000.00; which is payable on or before January 6, 2006 in readily available funds.
11. Jetwell may borrow said \$300,000.00 from the LLC to finance the purchase of the Interest.

POST-CLOSING MATTERS:

(a) Buyer, through its management and Interest in LLC is to ensure that Seller is not liable to GMAC personally under the March 2005 GMAC Factoring Agreement, Subordination Agreement and Note; and that Seller is not liable to the Landlord under the Limited Guaranty with Frank Steifel dated 1 December 2004; and the Seller is not liable under any personal guarantees or Deed of Guaranty given to further the LLC business to either Synko and Chung Yang Modas. Buyer and LLC to assume such liabilities and to defend and indemnify Seller should Synko and/or Chung Yang Modas assert any claim against Seller related to such personal guaranty or Deed of Guaranty.

(b) So long as LLC, or Buyer, has any liability to Seller pursuant to this Agreement, or otherwise, Seller shall retain the right to inspect, upon reasonable notice, the books and records of the LLC and Buyer shall ensure that Seller is provided such access, including access to the LLC's accounting firm, if so requested. If the LLC should retain an accounting firm other than Mahoney Cohen, it shall immediately notify Seller of such retention and provide contact information for the other accounting firm.

(c) **Amendment.** This Agreement is subject to modification only by a writing signed by Seller and Buyer.

(d) **Governing Law.** This Agreement and any document or agreement required hereunder or referred to herein shall be governed by, and construed under, the laws of the State of New York.

(e) **Waiver of Jury Trial.** EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS.

(f) **Legal Costs and expenses.** All reasonable costs and expenses incidental to this agreement and transfer of the interest and shares of the Seller to the Buyer shall be borne and paid by Seller.

MISCELLANEOUS:

(a) Buyer acknowledges and agrees that he has had an opportunity to consult with legal counsel regarding the execution and delivery of this Agreement and the transactions related hereto. Accordingly, the terms of this Agreement and the documents executed in connection herewith shall not be construed against either party. This agreement constitutes the product of legal counsel retained both by Seller and by Buyer.

(b) If any provision of this Agreement is contrary to, prohibited by, or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect as far as possible.

(c) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no party shall assign any of its rights or privileges hereunder without the prior written consent of the others.

(d) This Agreement supersedes all prior agreements by the parties with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, Seller and Buyer, and additional Member of LLC,
have executed and delivered this Agreement on the date set forth above.

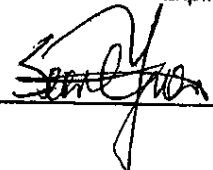
Witness: Sean C. Yuen
Dated: January 4, 2006



BRUCE ALLEN

Witness to the signature of
Bruce Allen (Holder of U.S.A.
Passport No. 093717329):-

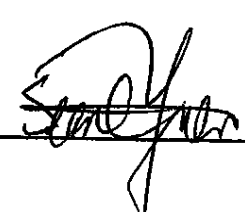
SEAN C. YUEN
Notary Public, State of New York
No. 02YU5028159
Qualified in New York County
Commission Expires May 23, 20 06





CHRISTINE DENTE

Witness to the signature of
Christine Dente (Holder of U.S.A.
Passport No. 111473008):-



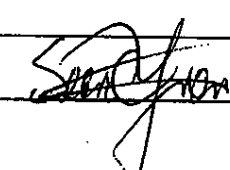
... on behalf of
JETWELL GARMENTS LIMITED
駿威製衣有限公司



JETWELL GARMENTS LIMITED

Witness to the signature of
Cheung Kin On Jocky (Holder of
UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN
IRELAND Passport No.
613443090):-

SEAN C. YUEN
Notary Public, State of New York
No. 02YU5028159
Qualified in New York County
Commission Expires May 23, 20 06



SEAN C. YUEN
Notary Public, State of New York
No. 02YU5028159
Qualified in New York County
Commission Expires May 23, 20 06

D 01236

EXHIBIT 1(a)
ASSIGNMENT OF LLC INTEREST

Bruce Allen hereby assigns to Jetwell Garments Limited his fifty percent (50%) equity interest in Private Label Sourcing, LLC, a Delaware limited liability company, registered in United States with Tax Identification Number 22-3800350.



BRUCE ALLEN
(Holder of U.S.A.
Passport No. 093717329):-

Dated:

JAN. 4, 2006

THE FACE OF THIS CHECK HAS A SECURITY VOID BACKGROUND PATTERN - DO NOT CASH IF THE WORD VOID IS VISIBLE

CHASE

0021403066

Date JANUARY 02, 2006

ORIGINAL CHECK HAS AN ARTIFICIAL WATERMARK ON REVERSE SIDE - HOLD AT AN ANGLE TO VIEW

⑈0021403066⑈ ⑆022000842⑆601600034⑈

Receipt of above check acknowledged 

EXHIBIT F

**Craig S. Granet, State Bar #071020
FELL, MARKING, ABKIN, MONTGOMERY,
GRANET & RANEY, LLP
222 East Carrillo Street, Suite 400
Santa Barbara, California 93101-2142
(805) 963-0755**

**NESENOFF & MILTENBERG, LLP
Andrew T. Miltenberg, Esq. (NY State Bar No. 2399582)
Philip A. Byler, Esq. (NY State Bar No. 1475664)
363 Seventh Avenue - Fifth Floor
New York, New York 10001
(212) 736-4500**

Attorneys for Defendants named by Plaintiff as Private Label Sourcing, LLC (a Delaware Limited Liability Company), Private Label Sourcing, LLC (a New Jersey Limited Liability Company), Second Skin, LLC and Christine Dente

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

-----X
C&C TEXTILE CO., LTD., a Korean Corporation, |

Plaintiff, |

CASE NO: CV07-07408

v. |

(RGK, VBK)

PRIVATE LABEL SOURCING, LLC, a Delaware |

Limited Liability Company, PRIVATE LABEL |

DECLARATION OF CHRISTINE

SOURCING, LLC, a New Jersey Limited Liability |

DENTE IN SUPPORT OF

Company, SECOND SKIN, LLC, a New Jersey |

MOTION TO DISMISS

Limited Liability Company, CHRISTINE DENTE, |

BRUCE R. ALLEN, WELL SUCCESS, a Hong |

Date: April 14, 2008

Kong Corporation, JETWELL GARMENTS, LTD, a |

Time: 9:00 a.m.

Hong Kong Corporation, and DOES 1-10, inclusive, |

The Honorable R. Gary Klausner

Defendants. |

-----X
**CHRISTINE A. DENTE, hereby declares subject to the penalties of perjury
under 28 U.S.C. § 1746:**

1 1. I am a defendant in this action, and I am a citizen and resident of New
2 Jersey. I make this Declaration in support of the motion to dismiss made by Defendants
3 named in the First Amended Complaint as Private Label Sourcing, LLC (a Delaware
4 Limited Liability Company), Private Label Sourcing, LLC (a New Jersey Limited
5 Liability Company), Second Skin, LLC and me. I have personal knowledge of the facts
6 stated in this Declaration.

7 2. I am an owner of a fifty (50%) ownership interest in the Defendant Private
8 Label Sourcing, LLC (Delaware) (hereinafter "PLSL"). The Defendant Jetwell
9 Garments, Ltd. (hereinafter "Jetwell"), is owner of the other fifty (50%) membership
10 interest in PLSL. Chueng Kin ("Jocky") is the sole owner of Jetwell. Defendant Well
11 Success Textile (HK) Co. Ltd. ("Well Success Textile") is not an owner, member, or
12 agent of PLSL.

13 3. PLSL is a limited liability company formed under the laws of the State of
14 Delaware and is registered to do business in New Jersey. There is only one PLSL; no
15 PLSL was formed under the law of the State of New Jersey. PLSL is a garment supplier
16 that imports garments for U.S. retailers from Hong Kong. PLSL operates as a limited
17 liability company with proper observance of the LLC as the entity doing business.
18 PLSL's company documents are maintained in New York City and New Jersey offices.

19 4. PLSL's sole contact with the State of California is clearing goods through
20 customs that are shipped to a California port. After the goods clear customs, PLSL's
21 retail clients take possession of the goods from a warehouse. PLSL is not responsible for
22 transportation of the goods from California to any destination. PLSL does not have an
23 office in California. PLSL does not have any assets in California. PLSL does not have
24 any bank accounts in California. PLSL is not registered to business in California.

25 5. Furthermore, Jetwell and I are the only members of PLSL, and we have not
26 authorized any other individuals or companies to enter into contracts, or otherwise bind,
27 PLSL. Jimmy Tsui, is not, and has never been, a member or employee of PLSL; and
28 Jimmy Tsui is not, and has never been, an employee of Jetwell. Furthermore, Jimmy
Tsui is not, nor has he ever been, authorized to act on behalf of PLSL. In addition,

1 Defendant Well Success Textile is not a member, owner and/or affiliate of PLSL, and is
2 not authorized to act on behalf of PLSL. Nor is Defendant Well Success Textile
3 authorized to act as the “accounting office” of PLSL.

4 6. In addition, I am the sole owner of Second Skin, LLC. Second Skin, LLC
5 is a limited liability company formed under the laws of the State of New Jersey in April
6 2005 and operates as a limited liability company with proper observance of the LLC as
7 the entity doing business. Second Skin, LLC was not formed as an “alter ego” to PLSL,
8 nor am I an “alter ego” to Second Skin, LLC. Contrary to insinuations in plaintiff’s
9 papers, Second Skin, LLC was not formed to conceal money from PLSL’s creditors or
10 from the defendant Bruce Allen. Second Skin, LLC was formed as a completely separate
11 entity in which Jetwell has no interest.

12 7. I formed Second Skin, LLC as a separate entity to undertake entirely
13 different business than PLSL. Second Skin, LLC was formed to work with international
14 manufacturers in Turkey specializing in seamless apparel. Particularly, Second Skin,
15 LLC was not a party to, and is in no way involved in, the contract with the Plaintiff C&C
16 Textile Co., Ltd. that is a subject of the First Amended Complaint.

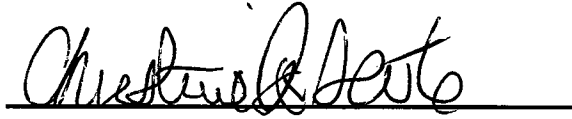
17 8. In addition, Second Skin, LLC never received any money payable to PLSL
18 or for any PLSL contracts. Particularly, Second Skin, LLC did not receive any payments
19 for merchandise relating to contract at issue in this case. PLSL is, and has always been, a
20 company in good standing, and has paid its own creditors since the time it was formed.

21 9. Second Skin, LLC does not do any business in or have any contact with the
22 State of California. Second Skin, LLC does not have an office anywhere in California.
23 Second Skin, LLC does not have any assets in California. Second Skin, LLC does not
24 have any bank accounts in California. Second Skin, LLC is not registered to business in
25 California.

26 10. In connection with the contract with Plaintiff C & C Textiles Co., Ltd. that
27 is the subject of this case, I did not enter the State of California and I did not personally
28 do anything involving communications to anyone in California. I have no office in
California; I have no bank account in California; and I have no assets in California.

1 I declare under the penalty of perjury that the foregoing is true and correct.

2
3 **Dated: March 11, 2008**

4 

5
6 **Christine Dente**

7
8 

9
10 **ANDREW T. MILTENBERG**
11 **Notary Public, State of New York**
12 **No. 02MI6008077**
Qualified in New York County
Commission Expires June 1, 2009